



March 15, 2023

Matthew Goodrich  
Blue Cross and Blue Shield of Vermont  
PO Box 186  
Montpelier, VT 05601

Re: Blue Cross and Blue Shield of Vermont  
2024 Large Group Rating Program Filing  
SERFF Tracking #: BCVT-133551255

Dear Matthew Goodrich:

Please provide the following information requested by the Office of the Health Care Advocate.

Questions:

1. On page 31 of BCBSVT's actuarial memorandum, there is a chart calculating the "Total Trend for Drugs Eligible for rebates".
  - a. Please clarify whether the dollar amounts in the column labeled "Experience Period Allowed Charges" represent spending in the specified drug categories before or after rebates.
  - b. Is the column labeled "Projected Allowed Charges after Contract Changes" an estimate of drug spending during the projection period after rebates?
  - c. What is meant by "Contract Changes"? Does "Contract Changes" include anything other than pharmacy rebates? If so, please provide a list of all items in the category of "Contract Changes".
2. Please provide the premium impact of the "contract changes" to the projected allowed charges shown in the chart on page 31.
3. Please provide the experience period rebates referenced on page 30 of the memorandum that BCBSVT uses to calculate projected pharmacy rebates.
4. Were the "Projected Rebates" noted in the chart on page 4 of the memorandum derived from the figures contained in the chart on page 31?
5. In the response to Question 8 of Objection 1, BCBSVT states that "pharmacy rebates continue to be lower than expected" and that RBC may be negatively impacted as a result. Please explain why pharmacy rebates "continue" to be lower than expected and estimate the impact on premiums of this phenomenon.

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible to every objection in our letter, but no later than March 29, 2023. Note that the responses can be submitted separately and do not have to be submitted all at the same time.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,

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